

INDEPENDENT ACCOUNTANT'S REPORT
ON COMPILATION AND APPLYING
AGREED-UPON PROCEDURES

TOWN OF MOUNTAIN PARK, OKLA.
AND
PUBLIC WORKS AUTHORITY

June 30, 2014

Lisa Brooks
Certified Public Accountant

Town of Mountain Park, Oklahoma
Mountain Park Public Works Authority

June 30, 2014

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Independent Accountant's Report on
Compilation and Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Mountain Park
Mountain Park, Oklahoma

Trustees of the Mountain Park Public Works Authority
Mountain Park, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture, Rural Development
Hobart, Oklahoma

SW Oklahoma Development Authority
Burns Flat, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances of the Town of Mountain Park and Mountain Park Public Works Authority (a public trust) and related Budgetary Comparison Schedule of General and Other Significant Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balance-Cash Basis for the Town of Mountain Park governmental funds; Statement of Revenues, Expenses and Changes in Net Assets-Cash Basis; and related USDA Form RD442-3 (required by USDA Rural Development), and Statement of Reserved Cash in Bank for the Mountain Park Public Works Authority, as of and for the fiscal year ended June 30, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format prescribed by Oklahoma Statutes and required by the Office of State Auditor and Inspector and United States Department of Agriculture-Rural Development, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included, they might influence the user's conclusions about the Town's and Public Works Authority's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of this report, as identified above, and as defined within the applicable laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 for the fiscal year ended June 30, 2014. Management of the Town of Mountain Park is responsible for the Town's financial accountability and its compliance with those legal requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Mountain Park, Oklahoma**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** From the Town's trial balances, I prepared a budget and actual financial schedule for the General Fund and any other significant funds (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: For the last two years, actual Fire Department income has surpassed amounts anticipated for budget purposes, making it possible for expenditures to also exceed budgeted amounts. No formal budget revisions were made, but all expenditures were properly approved by the governing board.

3. **Procedures Performed:** Agreed Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

4. **Procedures Performed:** Compared Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted as the Town has no uninsured deposits.

5. **Procedures Performed:** Compared Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

6. **Procedures Performed:** Compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

7. **Procedures Performed:** Compared the Town's account balances in reserve accounts to contractually required balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted. The Town has no outstanding bonds.

As to the **Mountain Park Public Works Authority**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenses and changes in net assets-cash basis for each fund (see accompanying Exhibit 4) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** Agreed Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

3. **Procedures Performed:** Compared Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted as the Authority has no uninsured deposits.

4. **Procedures Performed:** Compared Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

5. **Procedures Performed:** Compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

6. **Procedures Performed:** Compared the Authority's account balances in reserve accounts to contractually required balances and debt service requirements to report any noted instances of noncompliance.

Findings: No instances noted.

7. **Procedures Performed:** From the Authority's trial balances, I prepared USDA Form RD 442-3 (see accompanying Exhibit 5) and a schedule of cash in bank (see accompanying Exhibit 6) and compared the schedule results to the applicable trust reserve requirements to report any noted instance of noncompliance.

Findings: No instances noted.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

Lisa Brooks, CPA

Lisa Brooks, CPA
November 10, 2014

**Town of Mountain Park and
Mountain Park Public Works Authority
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Exhibit 1

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
Town of Mountain Park:				
General Fund	\$5,200	\$31,183	\$27,682	\$8,701
Street and Alley Fund	\$5,329	\$4,243	\$2,306	\$7,266
Fire Department Fund	\$11,525	\$11,620	\$11,477	\$11,668
City Subtotal	<u>\$22,054</u>	<u>\$47,046</u>	<u>\$41,465</u>	<u>\$27,635</u>
 Mountain Park Public Works Authority	 <u>(\$223,648)</u>	 <u>\$205,298</u>	 <u>\$188,890</u>	 <u>(\$207,240)</u>
 Overall Totals	 <u><u>(\$201,594)</u></u>	 <u><u>\$252,344</u></u>	 <u><u>\$230,355</u></u>	 <u><u>(\$179,605)</u></u>

See Accountant's Report

**Town of Mountain Park
Budgetary Comparison Schedule
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Exhibit 2
Page 1 of 3

	Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
General Fund			
Budgetary Fund Balance, Beginning	1,573	2,303	730
<u>Resources (Inflows)</u>			
Taxes:			
Sales Tax	11,779	12,918	1,139
Use Tax	1,849	1,798	(51)
Alcoholic Tax	5,980	6,546	566
Cigarette Tax	149	156	7
Gasoline Excise Tax	0	0	0
Total Taxes	<u>19,757</u>	<u>21,418</u>	<u>1,661</u>
Franchise Fees	6,329	8,066	1,737
Rent and Fees	2,449	650	(1,799)
Other			
Interest	11	2	(9)
Miscellaneous	<u>3,500</u>	<u>1,047</u>	<u>(2,453)</u>
Total Other	<u>3,511</u>	<u>1,049</u>	<u>(2,462)</u>
Total Current Year Receipts	<u>32,046</u>	<u>31,183</u>	<u>(863)</u>
Available for Appropriation	<u>33,619</u>	<u>33,486</u>	<u>(133)</u>
<u>Charges to Appropriations (Outflows)</u>			
Personal Services	15,000	6,566	8,434
Maintenance and Operations	18,000	21,116	(3,116)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Charges to Appropriations	<u>33,000</u>	<u>27,682</u>	<u>(5,318)</u>
Budgetary Fund Balance, Ending		<u><u>5,804</u></u>	

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Town of Mountain Park
Budgetary Comparison Schedule
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Exhibit 2
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	Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Street and Alley Fund			
Budgetary Fund Balance, Beginning	3,817	5,329	1,512
<u>Resources (Inflows)</u>			
Taxes:			
Gasoline Tax	1,326	880	(446)
Motor Vehicle Tax	2,911	3,363	452
Total Taxes	<u>4,237</u>	<u>4,243</u>	<u>6</u>
Total Current Year Receipts	<u>4,237</u>	<u>4,243</u>	<u>6</u>
Available for Appropriation	<u>8,054</u>	<u>9,572</u>	<u>1,518</u>
<u>Charges to Appropriations (Outflows)</u>			
Personal Services	2,000	0	2,000
Maintenance and Operations	2,036	2,306	(270)
Capital Outlay	3,000	0	3,000
Total Charges to Appropriations	<u>7,036</u>	<u>2,306</u>	<u>4,730</u>
Budgetary Fund Balance, Ending		<u><u>7,266</u></u>	

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**Town of Mountain Park
Budgetary Comparison Schedule
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Exhibit 2
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	Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Fire Department Fund			
Budgetary Fund Balance, Beginning	1,007	8,525	7,518
 Resources (Inflows)			
Other Income:			
Donations/Operating Grants	5,000	9,650	4,650
Miscellaneous	0	0	0
Total Other	<u>5,000</u>	<u>9,650</u>	<u>4,650</u>
Transfers In	1,818	1,970	152
Total Current Year Receipts	<u>6,818</u>	<u>11,620</u>	<u>4,802</u>
Available for Appropriation	<u>7,825</u>	<u>20,145</u>	<u>12,320</u>
 Charges to Appropriations (Outflows)			
Personal Services	0	0	0
Maintenance and Operations	6,273	11,477	(5,204)
Capital Outlay	0	0	0
Total Charges to Appropriations	<u>6,273</u>	<u>11,477</u>	<u>(5,204)</u>
 Budgetary Fund Balance, Ending		<u><u>8,668</u></u>	

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Town of Mountain Park
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Exhibit 3

	General Fund	Street and Alley Fund	Fire Department Fund	Total Governmental Funds
Revenues:				
Charges for services and rent	650			650
Taxes	29,484	4,243		33,727
Investment income	2			2
Miscellaneous	1,047			1,047
Donations/Operating Grants			9,650	9,650
Total Revenues	31,183	4,243	9,650	45,076
Expenditures:				
General government	27,682			27,682
Highways and streets		2,306		2,306
Public safety			11,477	11,477
Total Expenditures	27,682	2,306	11,477	41,465
Excess (deficiency) of revenues over expenditures	3,501	1,937	(1,827)	3,611
Other Financing Sources (Uses):				
Transfers in	0	0	1,970	1,970
Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	1,970	1,970
Net change in fund balances	3,501	1,937	143	5,581
Fund balances - beginning	5,200	5,329	11,525	22,054
Fund balances - ending	\$8,701	\$7,266	\$11,668	\$27,635

See Accountant's Report

**Town of Mountain Park
Public Works Authority
Statement of Revenues, Expenses and Changes in Net Assets (Cash Basis)
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Exhibit 4

	Mountain Park PWA
Operating Revenues:	
Water charges	103,487
Sewer charges	51,619
Trash charges	41,976
Late charges	6,419
Reconnect and hook up fees	1,340
Total operating revenues	<u>204,841</u>
Operating Expenses:	
Administration and general	40,494
Water	69,588
Sewer	37,073
Trash	39,765
Total operating expenses	<u>186,920</u>
Operating income (loss)	17,921
Non-Operating Revenues (Expenses):	
Interest income	15
Miscellaneous revenue	<u>442</u>
Total non-operating revenues (expenses)	457
Net income (loss) before transfers	18,378
Transfers in	0
Transfers out	<u>(1,970)</u>
Change in net assets	16,409
Total net assets-beginning	(223,648)
Total net assets-ending	<u><u>(\$207,240)</u></u>

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Form RD 442-3
(Rev 3-97)

Mountain Park Public Work Authority

(Unaudited)

	June 30, 2014	June 30, 2013
ASSETS		
<u>CURRENT ASSETS</u>		
1. Cash on hand in Banks	22,540	16,162
2. Time deposits and short-term investments	0	0
3. Accounts receivable	0	0
4. Less: Allowance for doubtful accounts	0	0
5. Inventories	0	0
6. Prepayments	0	0
7.		
8.		
9. Total Current Assets	22,540	16,162
<u>FIXED ASSETS</u>		
10. Land	0	0
11. Buildings	0	0
12. Furniture and equipment	3,500	3,500
13.		
14. Less: Accumulated depreciation	0	0
15. Net Total Fixed Assets	3,500	3,500
<u>OTHER ASSETS</u>		
16.		
17.		
18. Total Assets	26,040	19,662
LIABILITIES AND EQUITIES		
<u>CURRENT LIABILITIES</u>		
19. Accounts Payable	0	0
20. Notes payable	0	0
21. Current portion of USDA notes	20,052	20,052
22. Customer deposits		
23. Taxes payable		795
24. Interest payable		
25. Kubota		0
26.		
27. Total Current Liabilities	20,052	20,847
<u>LONG-TERM LIABILITIES</u>		
28. Notes payable USDA	213,227	222,463
29. Notes payable Kubota		
30.		
31. Total Long-Term Liabilities	213,227	222,463
32. Total Liabilities	233,279	243,310
<u>EQUITY</u>		
33. Retained earnings	(207,239)	(223,648)
34. Memberships		
35. Total Equity	(207,239)	(223,648)
36. Total Liabilities and Equity	26,040	19,662

See Accountant's Report

**Town of Mountain Park
Public Works Authority
Schedule of Cash in Banks
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Exhibit 6

Contingency Fund Checking Account*	\$16,728
PWA Operating Checking Account	<u>5,812</u>
Total cash in banks	\$22,540

<u>Rural Development Debt Service</u>	
RD-03 (\$140 x 12)	\$1,680
RD-04 (\$300 x 12)	3,600
RD-05 (\$57 x 12)	684
RD-10 (\$1,174 x 12)	<u>14,088</u>
Target cash reserve for debt service	\$20,052

*Monthly deposit of \$167.10 required. Monthly deposits of \$184.20 made.

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